

# Mission Springs Water District

## Kenwood Energy - Introduction

- Founded in 1999
- 35+ years of Energy Management Experience
- Consultants
- Represent the District
- Professional Engineer

# KE Scope of Work

## Peer Review of

1. Installation Cost
2. Savings Estimates
3. Cash Flows
4. Energy Service Contract
5. Final Thoughts

# Proposal Cost Review

Common Metric is **\$/kW** of PV

Proposal

\$17,817,057.00

4,167 kW

**Proposed Cost = \$4,276 per kW**

# Kenwood Energy Historic Costs

	kW	Installed Cost	\$/kW	Year	Type	Type
County Airport	881.3	\$ 3,128,544	\$ 3,550	2018	ESCO	Parking
Napa Wine Warehouse	720.9	\$ 1,545,251	\$ 2,144	2021	RFP	Roof
Napa Winery	810.0	\$ 2,161,654	\$ 2,669	2021	RFP	Roof&Ground
Napa Winery	165.0	\$ 384,698	\$ 2,332	2023	RFP	Roof
Napa Winery	500.3	\$ 1,045,086	\$ 2,089	2023	RFP	Roof
WWTP	1,129.0	\$ 3,627,000	\$ 3,213	2023	ESCO	Ground
WWTP	1,074.5	\$ 3,861,718	\$ 3,594	2023	ESCO	Ground
Warehouse	61.1	\$ 167,641	\$ 2,743	2023	RFP	Roof
Water District	797.6	\$ 1,833,020	\$ 2,298	2020	RFP	Ground
Vineyards	151.2	\$ 450,576	\$ 2,980	2022	RFP	Floating
Average	629.1	\$ 1,820,519	\$ 2,761			

Proposed Cost = \$4,276 per kW

# Cost Comparison

- “Highest Cost” Includes:
  - Existing PV System Demolition
  - Long conduit runs with Step-up and step-down Transformers

	\$/kW
Highest Cost	\$ 3,594
Proposed Cost	\$ 4,276
Ratio	84%
Proposed Cost	\$ 17,817,057
Expected Cost	\$ 14,975,681
Delta	\$ 2,841,376

# Budget Impact

		Proposed	Expected
Contract Cost		\$ 17,817,057	\$ 14,975,681
District Contingency	15%	\$ 2,672,559	\$ 2,246,352
Total Budget		\$ 20,489,616	\$ 17,222,033
		Delta	\$ 3,267,583

## Savings Estimates – 1<sup>st</sup> Year

	NEM2	RES-BCT	Total
Proposal	\$ 497,884	\$ 300,783	\$ 798,667
Peer Review	\$ 494,899	\$ 310,725	\$ 805,624
Peer/Proposal	99%	103%	101%



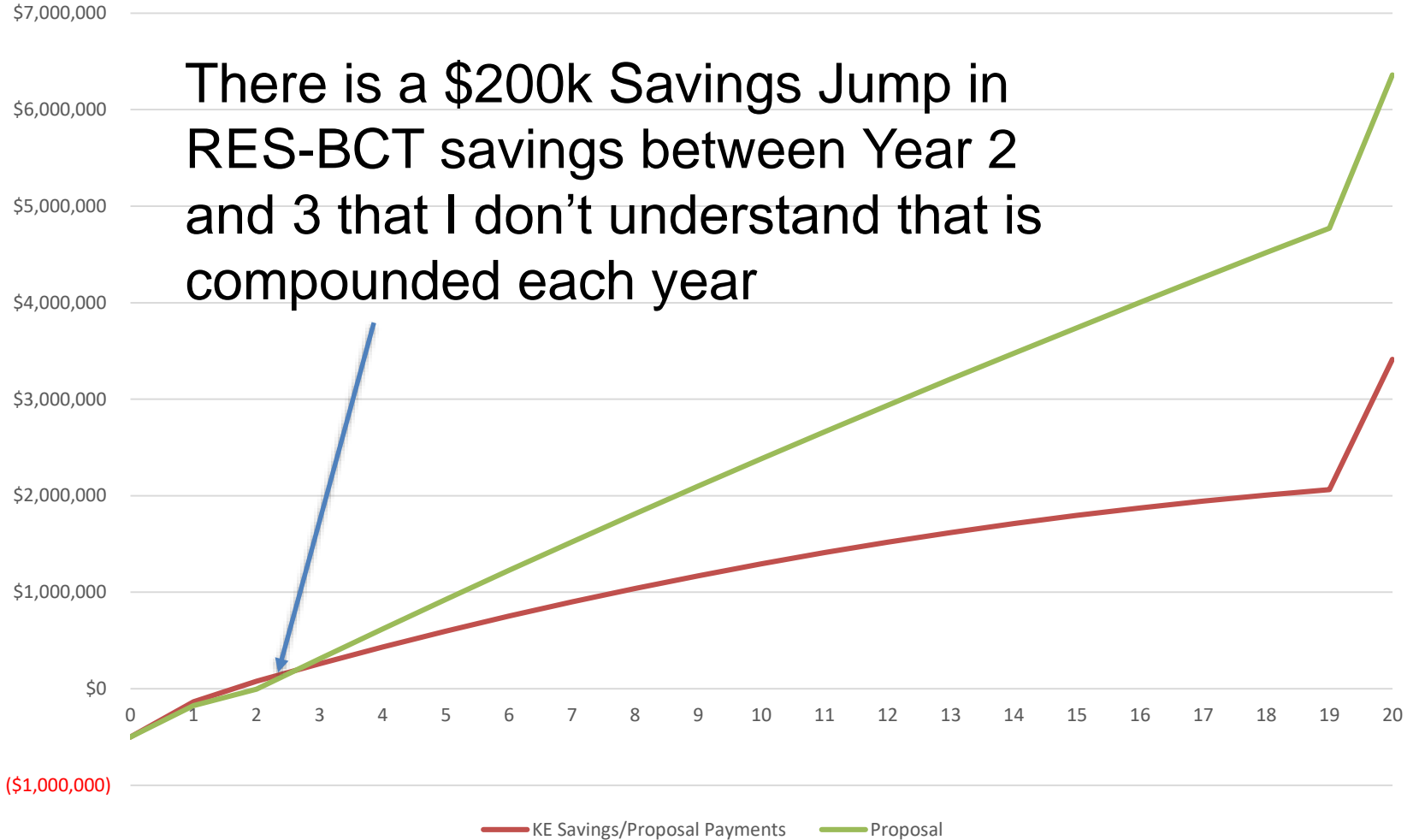
# Inflation Reduction Act (IRA) Direct Payment

Requirement	Direct Payment Base	Direct Payment Adder	Apply (Y/N)	Projected IRA Direct Payment Percent [2]
Begin Construction before 2025			Y	
Project meets definition of Advanced Energy Project	6%		Y	6.0%
Prevailing Wages		24%	Y	30.0%
Domestic Purchasing		10%	N	30.0%
Located in an Energy Community		10%	N	30.0%
Located in a Low Income Community		10%	Y	40.0%
Supports a Low Income Apartment Bldg or LI households		10%	N	40.0%
Uses >= 15% Tax Exempt Financing		-15%	Y	34.0%

10% Low Income Bonus = \$1.78M



# Discounted Cash Flows



## Cash Flows

- 20 Year due to NEM "grandfathering"
- Includes
  - The Low Income IRA Adder
  - \$500k in initial costs
- Does not include Contingency

# Energy Service Contract

- Contract
- Attachment A – List of Facilities
- Attachment B – N/A
- Attachment C – Scope of Work / Spec
- Attachment D – Monitoring SOW
- Attachment E – Measurement & Verification
- Attachment F – Maintenance Services

## Final Thoughts

- The cost doesn't have to be the lowest, but it should to be competitive
- KE Confirmed the Savings Estimates
- Cash Flows show a good ROI
- The ESC needs work
- Urgency related to IRA low-income adder
- Board Decision:
  1. Direct Staff to negotiate with Engie
  2. Pursue other path, e.g.: RFP
    - a. Could result in lower cost
    - b. Could consider a PPA

End